

COMMERCIAL/INDUSTRIAL SECTORS
CRITERIA FOR TECHNICAL AND ECONOMIC FEASIBILITY REVIEW
BY THE DEPARTMENT OF WATER RESOURCES

TO BE ELIGIBLE, PROJECTS MUST:

1. Be conducted within the state of Idaho.
2. Be consistent with the State Energy Plan.
3. Demonstrate the ability to conserve energy through efficient energy use or the utilization of renewable energy resources which results in energy savings based upon a net reduction or displacement of non-renewable resources.
4. Utilize existing, reliable technologies.
5. Meet federal and state air and water quality standards.
6. Show a simple payback period of 10 years or less for the total cost of the project based on estimated annual energy savings. This may be subject to waiver in unusual circumstances.

PROJECTS MAY:

1. Be for existing structures.
2. Include energy-efficient lighting systems (luminaires), occupancy/daylight sensors, and building commissioning in new construction. No other measures are eligible for new construction. (Exception: The use of renewable resources in new construction may be eligible, depending on the project. A separate criteria sheet which discusses renewable resource projects is available upon request.)
3. Not utilize program funds to take advantage of an interest rate lower than one on an existing permanent loan (no refinancing) nor pay for measures already in progress or completed.

ADDITIONAL LOAN CRITERIA INCLUDE:

1. The loan minimum amount is \$1,000.
2. The maximum loan amount is \$100,000.
3. Interest rate on loans is 4%.
4. The applicant must complete the loan application process and begin installation of energy conservation measures or renewable resource projects within 90 days and for building commissioning within one year following approval of project by the Department. Failure to do this will result in revocation of the loan and require submission of a new application to the Department.
5. Repayment of the loan is 5 years or less.
6. Water rights information must be provided for ascertaining legal compliance with water rights requirements, where applicable.
7. Applicants must be the direct user/benefitter of projects funded by this program. Projects which are energy-for-sale or energy-commodity-for-sale projects are not eligible.
8. Changing of fuel sources only if the change results in an increased Btu efficiency, with the exception of the use of renewable resources, which includes solar energy, wind power, water power, geothermal energy and biomass resources. Conversion to the use of a renewable resource is excluded from the requirement of showing an increase in Btu efficiency.

LOAN APPLICATION PROCESS

1. Complete and return application form to the Department of Water Resources, P.O. Box 83720, Boise ID 83720-0098, for initial review.
2. Department staff will review the project for economic and technical feasibility. Applicants whose projects do not meet program criteria will be notified in writing of the Department's decision. The Department will refer applicants whose projects are approved to the financial institution selected by the applicant for credit checks.
3. The financial institution will notify the applicant and the Department whether credit was approved or denied.
4. Invoices for completed projects totaling \$10,000 or more must be submitted to the Department. The installed project (invoice) must match the application project (bid) before funds will be disbursed.
5. The financial institution will contact the applicant to sign the loan documents.
6. All loans will be secured with collateral. In most cases a UCC-1 fixture filing will be used. In some cases, a deed of trust (second mortgage) may be used. Additional collateral may be required to secure the loan.
7. The Department **will not** subordinate its lien position to any creditor.
8. The Department will disburse funds through the financial institution.

NOTE: Request a conservation project application form for new or existing building improvements' projects. Request a renewable resource application form if proposing a renewable resource project.

OTHER CHANGES MAY OCCUR AS NECESSARY.

Revised and effective June 19, 2000.